

How Opportunity is Created

Opportunity Zones use a combination of three programs already in use: State Enterprise Zones, Urban Redevelopment Areas/Plans, and Job Tax Credits. Alone, each of these programs provides strong incentives for local economic development. Together, the blend is a powerful draw for local economic development that is good for business and good for the neighborhood.

Enterprise Zone Incentives (O.C.G.A. 36-88)

- Ad valorem property tax abatement for both commercial and residential properties, excluding taxes imposed by school districts and for general obligation debt, not to exceed the following schedule:

Yrs 0-5: 100% Yrs 6-7: 80% Yr 8: 60% Yr 9: 40% Yr 10: 20%
(schedule may begin any year of designation, i.e., may commence with taxpayer location)

- Local government *may* abate or exempt occupation taxes, license fees, building inspection fees, and other local taxes and fees exclusive of sales and use taxes (abatement or exemption can occur at time of zone designation or at a later date).
- Local government *may* waive ordinances within enterprise zones unless such ordinance is expressly required to implement or enforce statutory provisions.

Urban Redevelopment Law Benefits (O.C.G.A. 36-61)

- Gives cities broad powers to redevelop blighted or threatened areas of the community.
- Allows communities to use eminent domain to buy and assemble property for revitalization and resale.
- Does not require a referendum.
- The required Urban Redevelopment Plan (URP) is fairly easy and inexpensive to prepare and amend.
- Can be implemented either by a Downtown Development Authority (DDA) or a Redevelopment Authority appointed by the city.
- Encourages involvement of private enterprise/public private partnerships to redevelop neglected areas of the community.
- Permits use of tax exempt bonds for redevelopment purposes. These may be secured by loans and grants.
- Lets the public know what is being planned for the redevelopment area.
- Guides City investments in infrastructure to support redevelopment.
- Allows the City to negotiate variances and waive many requirements of its existing zoning and development requirements in order to achieve the optimum economic and aesthetic results in the redevelopment area.

Job Tax Credit Program

- Provides a tax credit of \$3,500 per eligible net new job to any lawful business located within the boundary of a designated Opportunity Zone.
- Credit is first applied to company's Georgia income tax liability, with excess credit available to claim against payroll withholding taxes if the proper steps are taken with the Department of Revenue.